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STATE FOR SCA/INS, S/CRS; USPACOM FOR FPA

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SUBJECT: CONVERSATION WITH PRESIDENT RAJAPAKSA ON THE WAY  
FORWARD FOR SRI LANKA

Classified By: Ambassador Robert O. Blake, Jr. for reasons 1.4 (b) and (d).

11. (S) Summary: In a series of short conversations with Ambassador on December 6 during a trip to his home town of Tangalle, President Rajapaksa expressed confidence his government would win the third and final budget vote on December 14, but was less clear on the way forward after that. Rajapaksa hopes to finalize the power sharing proposal being considered by the All Parties Representative Committee, but knows he lacks the 2/3 parliamentary majority required to amend the constitution and thereby implement the APRC proposal. He wants to pursue contradictory goals of negotiations with the LTTE while maintaining military pressure on them. He confided the GSL is receiving better real-time intelligence on the whereabouts of the LTTE leadership. He is resisting calls by some of his Ministers to call early elections, and will not make a decision until or unless inflation comes down to single digits, perhaps by mid-2008. The President revealed that the government is preparing for local "Pradeshiya Sabha" elections in the east in March, in part to ensure that Tamils in areas of the east formerly controlled by the LTTE can have political representation. The Ambassador flagged the imperative of stopping illegal paramilitary activities as a pre-condition for free and fair elections. Comment: it is clear that the ruling SLFP's lack of a clear Parliamentary majority continues to drive much of the GSL's thinking and that the GSL has yet to think through a clear strategy to achieve peace. Post will continue to urge the Government and other parties to attach a high priority to finalizing a strong APRC proposal that will meet minimum Tamil aspirations and can form the basis for talks. End summary.

12. (C) The Ambassador and his family were invited by Sri Lankan First Lady Shiranti Rajapaksa to be chief guests for the annual music pageant for the Carlton primary school in the southern town of Tangalle, where President Rajapaksa began his career as a lawyer and member of Parliament. President Rajapaksa elected to attend the celebration which gave the Ambassador a chance to discuss with him some of the important issues facing his country.

## Government Likely to Win Budget Vote

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¶3. (C) The President expressed optimism that his government would prevail in the third and final budget vote expected to take place on December 14. He admitted that Rauff Hakeem of the Sri Lankan Muslim Congress and the current Minister of Posts and Telecommunications, continues to withhold confirmation he will support the budget. But the President thought Hakeem was doing so for tactical reasons to extract as much patronage and other political favors as possible in return for his support. The President stated that Hakeem faces fractures within his own party and can ill afford to break with the Government, particularly now that it seems likely the Government will prevail.

## Pursue APRC Agreement with Caveats

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¶4. (C) Asked for his priority following the budget, President responded that he hopes to finalize the power sharing proposal being considered by the All Parties Representative Committee (APRC), but noted several caveats. First, he expressed concern that even if he receives parliamentary support for the budget he will not have the 2/3 parliamentary majority required to amend the constitution and thereby implement an APRC proposal. He noted that the JVP's control of the trade unions gives them a politically dangerous ability to mobilize trade union action against the government. Second, he noted continued strong skepticism by many Sri Lankans that LTTE supremo Prabhakaran will negotiate in good faith and not simply use the opportunity afforded by negotiations to rearm the LTTE. Therefore he said the government plans to enter into negotiations, but "keep the

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pressure on the LTTE".

¶5. (C) The President said the government also would give renewed focus to implementing the 13th Amendment, which already devolves significant powers to the provincial councils and could help give Tamils and Muslims greater authority over key areas of governance in the areas where they have voting majorities. As an example, he noted that the government already was providing training for what would become the nucleus of a Tamil police force in the east. The Ambassador welcomed the government's intention to implement the 13th Amendment, but warned that it could not substitute for the far-reaching APRC proposals now under consideration. The President acknowledged the point.

¶6. (C) The Ambassador expressed doubt that the LTTE would enter into negotiations without a ceasefire agreement of some kind. Regarding LTTE intentions to rearm, the Ambassador briefed the President on public remarks the Ambassador made at the November ceremony marking the hand-over of maritime surveillance radar to the Sri Lankan Navy in which the Ambassador said that the purpose of the radar was to help the Navy interdict LTTE arm shipments and send a message that the LTTE should not believe it will have a better opportunity in the future to enter into negotiations. The President responded that he had seen and appreciated those remarks, but reiterated the need to keep the pressure on.

¶7. (S) Noting an earlier private comment to us by Defense Secretary Gotabhaya Rajapaksa that the Government had bombed

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the Voice of Tigers transmitter station in Killinochchi because of information that Prabhakaran might have been in the station, the Ambassador asked if the GSL has better real-time intelligence on Prabhakaran's whereabouts. President Rajapaksa said they did without offering more specific information. He elaborated that the government had information that the LTTE had ordered all NGOs out of Mullaittivu on the east coast of the Vanni, because the LTTE

believed the NGOs had provided information to the GSL that had improved its targeting of senior LTTE leaders.

#### New Elections?

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18. (C) Turning back to his shaky support in Parliament, the President told us many of his Ministers are pressing him to call early elections to consolidate SLFP support. The President confided that he has rejected such suggestions for the moment until political conditions improve. He said he enjoys strong support in the south and north-central provinces, and growing support in the east. However, he acknowledged that many voters in Colombo and other urban areas in the center are unhappy with the high cost of living. He expressed hope that inflation could be brought down from the current 17 percent into single digits by the middle of 2008. (Comment: Iran's willingness to allow Sri Lanka to defer payment on all oil imports from Iran for 7 months could be helpful in this regard.)

#### Elections in the East

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19. (C) The President revealed that the government is preparing for local "Pradeshiya Sabha" elections in the east in March, in part to ensure that Tamils in areas of the east formerly controlled by the LTTE can have political representation. He said the government had struggled to find Tamils who could represent the interests of their communities in ongoing discussions with the government on planned stabilization and reconstruction programs. The Ambassador cautioned that it would be extremely difficult to hold free and fair elections in the east when the TMVP continues to engage in murders, extortion, and other illegal activities. While Karuna is now in custody in the United Kingdom, one of his commanders Pillayan had continued where Karuna left off. Like his brother Gotabaya in earlier conversations with us, the President expressed confidence that Pillayan was someone

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with whom the government could work with in the east. The Ambassador rejoined that as one of Sri Lanka's most adept politicians, the President surely knew that no paramilitary leader who engages in extortion, murder and other forms of intimidation and harassment, could ever hope to compete successfully in free and fair elections. All paramilitaries could not therefore be permitted to carry arms, a point the President said he would work on.

#### Biographic Notes

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10. (C) This was the first time we had visited with the President in his home district. It was in Tangalle that the President began his law practice, rented his first home, and was elected in 1968 as the youngest member of parliament at the age of 24. The President proudly pointed out a statue in the town center of his father who had served as an MP for the district 1945 to 1960. These roots in a southern small town clearly drive the President's thinking and self-image. One MP who has worked with the President for three decades told us the President is very conscious of his lower class roots from a village in the south that contrast with the upper class urban roots of many in the UNP such as former UNP Prime Minister Ranil Wickremesinghe.

11. (C) Two of the President's three sons joined us for the day trip to Tangalle. All three of the sons attended the local Carlton primary school that the first lady has been active with for more than 20 years. The eldest son Namal is currently completing a degree in London, but is the son most likely to follow in his father's political footsteps. Already he has founded a youth organization "Tharunyata Hetak" (a better tomorrow for youth). The President's second son Yoshita is a naval cadet currently undergoing training at

the Royal Naval College in Dartmouth, UK. The third son, Rohitha, is attending St.Thomas College (a secondary school in Colombo) and told the Ambassador he hopes to pursue a career in aeronautical engineering. The President proudly pointed out that all three of his sons had captained the rugby team at St.Thomas.

Comment

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¶12. (C) This was a somewhat disjointed but nonetheless useful conversation between second and third grade musical and dance performances. The President was at ease and mused that he was happy to have someone to talk with during what he jokingly called "this annual agony" that he loyally attends to recognize his wife's efforts. It is clear from his comments to the Ambassador that even though the GSL will have a clear opportunity to get things done in the next year (assuming it wins the budget vote), it lacks a clear strategy both on how to pursue peace and whether to seek new elections. Trade Minister and peace process advisor GL Peiris confirmed as much in a later conversation at a National Day in which he told the Ambassador that the GSL's early focus will be on implementing the 13th Amendment. This clearly reflects the advice that the Indian Government has been giving the GSL, but cannot substitute for a power-sharing proposal which Peiris acknowledged. Post will continue to urge the Government and other parties to attach a high priority to finalizing a strong APRC proposal that will meet minimum Tamil aspirations and can form the basis for talks.

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